



**Delaware Thoroughbred Racing Commission
Minutes of Meeting Held On
May 17, 2017**

The Delaware Thoroughbred Racing Commission held a meeting on
Wednesday, May 17, 2017 at 10:05 a.m., in the Horsemen's Office,
At 777 Delaware Park Blvd, Wilmington, DE 19804.

The following Commission members were present:

W. Duncan Patterson, Jr., Chairman
Edward Stegemeier, Commissioner
Henry Decker, Commissioner
Richard Levine Esq., Commissioner
Debra Killeen, Commissioner

The following individuals also were present:

John F. Wayne, DTRC, Executive Director
Frank Broujos, Deputy Attorney General
Michael Scuse, Secretary of Agriculture, Delaware Department of Agriculture
Dr. Susan Botts, DTRC, Chief Commission Veteran
Jack Houghton, DTRC, Chief State Steward
Frederick Burkhardt, DTRC, Associate Steward
James Lages, DTRC, Associate State Steward
Reese Howard, DTRC, Safety Steward
Teena Appleby, DTRC, Chief Inspector
William Fasy, President, Delaware Park
John Mooney, Executive Director of Racing, Delaware Park
Kevin DeLucia, Sr. Vice President & CFO, Racing-Administration, Delaware Park
Chris Sobocinski, Delaware Park, Racing Information Coordinator
Nancy Myshko, Delaware Park, HR, Senior Vice President
David Scott Peck, President, DTHA
Bessie Gruwell, Executive Director, DTHA
Bill Korn, Security Supervisor, Delaware Park
Molly Church, DTRC, Administrative Asst. (recording minutes)

1. WELCOME & CALL TO ORDER

At approximately 10:10 A.M., Chairman Patterson called the meeting to order. Before moving on to the approval of the minutes, Chairman Patterson conducted a moment of silence for Francis J. Swift, who passed away on May 4, 2017. Mr. Swift was the chief inspector for the Commission for 18 years and Chairman Patterson noted that he will be missed. Chairman Patterson also welcomed Teena Appleby, who will be replacing Mr. Swift. Ms. Appleby has had a long career working for the

Pennsylvania State Horse Racing Commission and was more recently the Chief Investigator at Penn National prior to her retirement.

2. APPROVAL OF MINUTES (APRIL 13, 2017 DTRC MEETING)

Upon a motion dully made (Decker) and seconded (Killeen), the minutes from the April 13, 2017 Commission meeting were approved. The vote was unanimous.

3. OLD BUSINESS

A. Proposed Delaware Advance Deposit Wagering Legislation- (Mr. William Fasy)

Mr. Fasy reported that since the last Commission meeting, he has run into some roadblocks from one of the constituents regarding the advance deposit wagering bill proposal. There have recently been more technical changes made in the language of the proposal, but these should be the final ones. Mr. Fasy will provide the Commission with copies of that language. Harrington Raceway and Dover Downs have insisted that the bill include the definitions of "advance deposit wagering" and "source market fees." Mr. Fasy is hoping to reach finality to the bill at the end of this week.

Commissioner Decker asked Mr. Fasy if it would help push the process along faster if the Commission got involved with some of the legislators that they know. Mr. Fasy replied that that would be very helpful. This is a bill that is already supported by both the Horsemen's Association and Delaware Park.

Commissioner Decker noted that he met with another state Commission lately and explained how Delaware was having trouble constitutionally getting a bill in place. That Commission said they didn't have a problem with that because they got an opinion that the bet actually takes place where it is recorded, not where it is entered.

Chairman Patterson asked Mr. Fasy if he needs approval from the Commission to move forward. Mr. Fasy replied that he needs their support. Commissioner Decker suggested they formalize this and made a motion to support the legislation authorizing advance deposit wagering. Commissioner Levine said he had concerns with that because they have not yet had a chance to review the new language in the proposal. Mr. Fasy said again that he is soon making revisions on this and he will have it sent out to everyone. Commissioner Patterson suggested they make a motion to approve advance deposit wagering in general. Commissioner Decker moved and Commissioner Levine seconded. The vote was unanimous.

B. Signing of Final Orders for Rule Changes for DTRC and DJHWBB Rules and Regulations (DTRC Rules 14.19.1, 14.20, 15.22, 15.23, 15.24, and deletion of reference to "Stanazolol" in Rule 15.17.1.1 and DJHWBB Regulations 2.1.1, 2.1.2.2, 2.2.2.1.1.3, and 2.4) published May 1, 2017 and taking effect on May 11, 2017)

Chairman Patterson signed the final orders for Rule Changes for DTRC Rules 14.19.1, 14.20, 15.22, 15.23, 15.24, and the deletion of the reference to "Stanazolol" in Rule 15.17.1.1. Commissioner Levine asked if the new ARCI Uniform Classification Guidelines has any implications for these rule changes. Chairman Patterson answered that it does not.

Commissioner Stegemeier, Chairman of the Delaware Jockey's Health and Welfare Benefits Board, also signed the final orders for DJH & WBB Regulation Changes 2.1.1, 2.1.2.2, 2.2, 2.1.1.3, and 2.4. DTRC Chairman Patterson asked what these regulation changes were for. DJH&WBB Chairman and Commission Secretary, Stegemeier reported that these regulations changed the number of mounts needed for yearly eligibility from 50 to 100 and also from 7 riding years at Delaware Park to 10 for retirement eligibility. Commissioner Stegemeier said that 65% of eligible riders are currently taking advantage of the policy and 35% are not. There are almost as

many retired riders as there are active riders currently enrolled. Costs have gone up and Secretary Stegemeier commended Robert Colton for keeping things under the control the best he can. They are currently projecting \$30,000 expenses greater than revenue during 2017. Secretary Stegemeier also stated that the qualifications for eligibility are very liberal and that Delaware is one of the best jurisdictions in terms of making jockey health insurance available at a low price.

4. NEW BUSINESS

A. Drug Testing Standards and Practices Committee Update (Chairman W. Duncan Patterson)

At this time, Chairman Patterson gave an update on the Drug Testing Standards and Practices Committee which he also chairs. There was recently a cleanup of certain medications in the Uniform Classification Guidelines. The most important change was in the legislation for out-of-competition testing model rules. The recommended time for an out-of-competition horse that tests positive for anabolic steroids to be out of racing is now 180 days. This is a change from the previous 90 days in the model rules. The Committee also approved the American Quarter Horse Association ban of Clenbuterol. Thoroughbreds currently have a threshold level and a withdrawal time for Clenbuterol, but the AQHA has banned it totally. Chairman Patterson believes that this may be a precursor for a future Clenbuterol ban for Thoroughbreds as well. Chairman Patterson related that Clenbuterol is a bronchodilator that many trainers use as a substitute for anabolic steroids. Chairman Patterson referenced the hearing with a well-known trainer who had two Clenbuterol positives in Delaware Park in 2015. Chairman Patterson asked Ms. Appleby how long that trainer had been banned. Ms. Appleby answered that he is actually currently under appeal. Mr. Houghton announced that this trainer just ran a horse yesterday at Parx.

5. REPORT FROM DTRC EXECUTIVE DIRECTOR

A. Summary of Activities Report for February 1 - April 30, 2017

	<u>February 1-April 30 2017</u>	<u>Year-To-Date</u>
Number of Persons Fingerprinted	26	41
Fingerprint Fees Collected	\$2,054.00	\$3,239.00
DTRC Licenses Issued	450	1,378
Fines & Appeal Fees Collected	\$5,552.47	\$9,126.23
License Fees Collected	\$19,285.00	\$35,295.00
<u>Other Statistics during April</u>		
ARCI National Surveys answered	4	
Contacts from Police Agencies	8	
Contacts from Video Lottery Enforcement	2	
Freedom of Information Act Request for Info	0	
National Racing Compact Reviews	4	
National Racing Compact Applications Rec'd	9	
Contacts from Racing Industry Groups	28	
Contacts from other Racing Commissions	27	
Contacts from other Race Associations	17	
Contacts from the General Public	6	
Contacts from Horsemen	29	
Media Contacts	16	
Contacts from Racing Officials Accreditation Program (ROAP)	26	

Commissioner Decker asked Mr. Wayne why the 2017 totals were so high compared to previous years. Mr. Wayne answered that many owners and trainers took out 3-year licenses. There have also been less stable employees and more owners and trainers applying for licenses. The biggest difference, however, is all the fines that were collected in this reporting period. There were two outstanding fines paid, one 24 months overdue and the other 36 months. These fines included a

1.5% monthly interest. The Stewards are also going to add language at the end of their rulings for monetary fines stating that for each month the fines go unpaid, this interest will be included. Mr. Wayne also noted that the stewards have been very understanding to those who have issues paying fines. Mr. Wayne conveyed that he is currently working on a situation involving a 141 month overdue fine. Mr. Houghton said that this person wants to get back into racing, and is currently running under someone else's name. There was also an applicant who has been out of racing for 30 years who wanted to apply for a trainer's license, but the stewards informed him that he must take the trainers' test again. Since it has been so long, the trainer may have forgotten things and the rules have changed since then.

Mr. Wayne reported that human drug testing will be taking place shortly. Ms. Appleby will be handling these tests. So far in 2017, there have been 29 investigations open. One was a referral from Mr. Mooney in reference to an issue between a trainer and his employee over the ownership of a Magna Wave machine. Mr. Wayne was able to help resolve this issue.

Mr. Wayne also presented an article written by Mr. Tom LaMarra after the 2017 Racing Officials Accreditation Program meeting, highlighting the safety steward panel that spoke at the meeting. Secretary Scuse is featured in the article as well. Mr. Wayne noted that this was the third time that Secretary Scuse has spoken at a ROAP meeting, and the Commission appreciates the generosity of his time on these national forums.

Ms. Gruwell asked if, and how, the licensing requirements have changed. The backside is extremely short on help and many stable employees have been complaining that they were unable to get a license. Mr. Wayne said that all applicants must show proper identification in order to get legally licensed. The Commission cannot violate this as it is a federal law. INS may be coming to Delaware Park to give a presentation, explaining what the exact rules are for this law. Mr. Wayne explained that the cooperation of trainers to make sure that their workers have proper identification is crucial. Ms. Gruwell said that many times there is no way for a trainer to know if their workers' identification is legitimate. Ms. Appleby explained that even if an applicant has an ITIN number, they may still not be able to work legally in the US. Applicants may also produce documents that are fake. Mr. Decker asked whose responsibility it is to determine whether these documents are fake. Ms. Appleby said that many of these documents they receive are blatantly fake, and she knows what to look for. Mr. Houghton explained that they have had some applicants come in recently with expired work visas and passports. The Stewards denied their applications until their documents were renewed. He also noted that some applicants will even say how much they paid for their Social Security card, which is obviously not right because they are free.

Mr. Mooney said that the problem is, these people were licensed in the past and are now unable to get their license. Mr. Houghton said that many of these applicants once had legal documentation, but now it is expired. Mr. Wayne asked Mr. Broujos what the Commission's responsibility was regarding this issue. Mr. Broujos stated that there are statutory and/or regulatory requirements for licensing and that the Commission must use their due diligence and best efforts to ensure that those requirements are met in order to issue a license. If there is any suspicion regarding the legality of an application (i.e. forged or counterfeit documents), the Commission has the right to deny the license application and the applicant can then appeal the denial. Commissioner Decker asked if the Commission is obligated to call the Social Security Office to verify the Social Security numbers. Mr. Houghton said that they used to call the Office whenever they encountered a fake Social Security card, and they were told to quit calling. Ms. Appleby emphasized that it is the responsibility of the applicant to provide legitimate and legal documentation. Chairman Patterson asked Ms. Appleby and Mr. Houghton if they look for reasons to license people, or reasons not to license them. Both Ms. Appleby and Mr. Houghton agreed that the backside does need all the help they can get and if the applicant is legitimately able to work in the US, they want them to get licensed. Mr. Houghton said that the applicants are even given paperwork and phone numbers to help apply for an ITIN number. Mr. Broujos said that if the Commission grants licenses to people based on forged or counterfeit documentation, there may be serious consequences. Mr. Houghton said that the Stewards, Licensing staff, and Investigators are just trying to do their due diligence and should not come under scrutiny for that. Chairman Patterson stated that they have the Commission's full support in that.

Commissioner Decker asked Ms. Gruwell if any employees qualify for the H2B visa work permits. Ms. Gruwell said that the Delaware meet starts too late and all 66,000 spots for the work permits will already be taken by then. Ms. Gruwell said that a few trainers already have work permits for their workers, but they are becoming more difficult to obtain. Mr. Mooney said that this is especially problematic because the horse racing industry is often not viewed as agricultural. Secretary Scuse explained that for the past 8 years, many efforts have been made by the Department of Agriculture to have horse racing viewed as agricultural.

Chairman Patterson presented an article that appeared in the April 29th issue of BloodHorse magazine written by Frank Angst in which he and Mr. Wayne were well represented regarding the ARCI meeting.

REPORT FROM DTRC CHIEF COMMISSION VETERINARIAN-HEALTH REPORT AND INFORMATION

Dr. Susan Botts reported that there was one elected euthanasia in April for a horse with a fractured bone in its knee.

Chairman Patterson acknowledged the issue that the Commission is having with hiring substitute vets. Dr. Botts explained that she wasn't sure what to do about this. Mr. Wayne said that they made the position look as attractive as possible, with a recent pay increase. He noted that Delaware is probably paying more than surrounding jurisdictions. Dr. Botts said that a problem that Delaware has is that surrounding jurisdictions pose competition because they race year round and Delaware does not. Commissioner Decker asked Dr. Botts how many vets were working right now. Dr. Botts responded that there were currently two; herself, and Dr. Calley from Tampa. Secretary Scuse asked if all the open positions have been posted. Mr. Wayne explained that they have notified everyone through all of their sources. Mr. Wayne also asked Secretary Scuse if Dr. Lopez, Delaware Deputy State Veterinarian, would be able to work the meet because she had previously expressed interest in it. Secretary Scuse said that there should be no problem with that to his knowledge.

6. REPORT FROM DELAWARE THOROUGHBRED HORSEMEN'S ASSOCIATION

A. Delaware Certified Thoroughbred Program's Report

Ms. Bessie Gruwell stated that there was not much to report for the month of April since racing had not yet started. There were 22 horses enrolled in the program so far this year. The balance of the Delaware Certified special account is currently at \$1,310,056.81. The Horsemen's Association will be holding a trainer's open house luncheon on 11:30 AM Saturday, May 27 at the Horsemen's Office. She noted that the Stewards are invited to that meeting as well. Ms. Gruwell has spoken with Dr. Botts regarding the new changes in medication and out of competition testing rules so she can relay all of these new changes to the trainers.

The Horsemen's Association also met with Betfair's Jeff Lowich at the DTHA meeting the night before and they approved the use of Betfair exchange wagering under the condition that Delaware is given live coverage on every race day on TVG for the term of the contract. The Horsemen's Association has not informed Betfair of this negotiation yet. This would bring a lot

more revenue to Delaware. Chairman Patterson noted that right now Delaware does not get as much coverage on TVG because Stronach tracks have priority due to a contract with TVG. Ms. Gruwell stated that many of the bigger tracks, such as Churchill Downs and Stronach Group tracks are not currently very interested in utilizing exchange wagering. Delaware Park's handle would benefit greatly from exposure on TVG. Mr. DeLucia said that Delaware Park already does have a contract with TVG to be on either TVG 1 or TVG 2, but live coverage on all race days would help the handle.

Commissioner Stegemeier asked how the interest of the Delaware Certified Special Account balance was invested. Ms. Gruwell answered that it is not currently invested; rather, it comes from the state and then is put in a checking account. Secretary Scuse clarified that state money can't be invested.

Ms. Gruwell also reported that there have been many new faces coming in to Delaware Park. There will be a lot of new trainers racing there this year. Mr. Mooney reported that things are looking positive right now for the most part, but reiterated how trainers are short on help and he has had trainers ask him for help finding stable employees. He spoke with the American Horse Council and they are hoping that more visas will be granted. There is a major problem on backsides across America, especially the East Coast, with the shortage of work visas.

Chairman Patterson alluded to the article in the Paulick Report about trainer Dale Bennett racing at Delaware Park instead of Arlington and to another article about trainer Michael Stidham.

Commissioner Levine asked about the condition of the training track after a recent rainstorm. Mr. Mooney reported that the training track was not flooded or otherwise affected.

Chairman Patterson asked Mr. Mooney if the backstretch was full. Mr. Mooney replied that it was not; they will be anticipating about 1,100 stalls this year. Capacity is 1,500.

7. PUBLIC COMMENT

8. EXECUTIVE SESSION

Upon a motion duly made (Decker) and seconded (Levine), public session was moved to executive session at approximately 11:08 P.M.

9. ADJOURNMENT

Upon a motion duly made (Decker) and seconded (Levine) executive session was moved back to public session. Public session was adjourned at approximately 1:15 P.M.